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Mortgage Rates Recover as Trade Tensions Reignite

Mortgage rates were noticeably higher through yesterday afternoon as the bond market had generally been bouncing back from the more extreme levels achieved last week. Markets approached today's Jackson Hole symposium with open minds as to the potential outcomes from Fed Chair Powell's much-anticipated speech. But **even before that speech**, China announced tariffs on US goods. And shortly after Powell's speech, Trump's trade-related tweets rocked the market again.

Between China and Trump, **Powell didn't stand a chance**. This is a market fixated on the long-term potential fallout for the real economy based on an escalating trade war. Traders give the Federal Reserve a tremendous amount of respect as a market mover, but ultimately, the Fed's role only amounts to a fine-tuning adjustment to the core drivers of the global economy. In general, markets assume trade wars will drive economic momentum lower/weaker, and that tends to help bond yields and interest rates move in the same direction.

Keep in mind that mortgages are doing a **lousy job** of following other rates at the moment, but they were nonetheless able to enjoy a small portion of the move seen in 10yr Treasury yields. This lagging performance will only change with time, and will only be easy to see if bond markets manage to stabilize as well. Until then, progress can come but it will be slow going.

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National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.08%	-0.05	0.00
15 Yr. Fixed	6.45%	-0.02	0.00
30 Yr. FHA	6.55%	-0.05	0.00
30 Yr. Jumbo	7.25%	-0.04	0.00
5/1 ARM	7.07%	-0.03	0.00

Freddie Mac

30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.03%	+0.09	0.62
15 Yr. Fixed	6.56%	+0.09	0.54
30 Yr. FHA	6.90%	+0.11	0.95
30 Yr. Jumbo	7.11%	-0.01	0.50
5/1 ARM	6.38%	+0.11	0.54

Rates as of: 7/3

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.39	+0.19
MBS GNMA 6.0	100.53	+0.14
10 YR Treasury	4.3675	+0.0073
30 YR Treasury	4.5420	+0.0123

Pricing as of: 7/4 10:52PM EST

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With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

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